



WHEN RECORDED MAIL TO:
WASHINGTON MUTUAL BANK
1336 CORNWALL AVE, 2ND FLOOR
BELLINGHAM, WA 98225
ATTN: BARBARA RAE STILWELL

Loan No. 01-0103-009920185-7

LAND TITLE COMPANY OF SKAGIT COUNTY

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT

200308280210 200204030017

THIS AGREEMENT, made this 21ST DAY OF AUGUST, 2003 BY ROLAND J JOHNSON, AN UNMARRIED INDIVIDUAL AS HIS SEPARATE ESTATE owner of the land hereinafter described and hereinafter referred to as "Owner", and

② WASHINGTON MUTUAL BANK,

present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

② WASHINGTON MUTUAL

THAT WHEREAS ROLAND J JOHNSON, AN UNMARRIED INDIVIDUAL AS HIS SEPARATE ESTATE, did execute a Security Instrument, dated MARCH 29, 2002 TO LAND TITLE COMPANY, A WASHINGTON CORPORATION, AS TRUSTEE, COVERING THE FOLLOWING DESCRIBED PROPERTY:

See "SCHEDULE A-1" attached hereto and made a part hereof by this reference.

to secure a Note in the sum of \$30,000.00, dated MARCH 29, 2002 in favor of WASHINGTON MUTUAL BANK which Security Instrument was recorded on APRIL 3, 2002, in Book ---, Page ---, Instrument No 200204030077, Official Records, in the Office of the County Recorder of SKAGIT, State of Washington.

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of \$180,000.00, dated AUGUST 21, 2003, in favor of WASHINGTON MUTUAL BANK, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to be recorded concurrently herewith; and

Recorded 8/28/03 Auditors # 20030828 0210



WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Security Instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Security Instrument first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said Security Instrument securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Security Instrument first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument first above mentioned, which provide for the subordination of the lien or charge



thereof to another Deed or Deeds of Trust or to another mortgage or mortgages.



200308280211
Skagit County Auditor

Beneficiary declares, agrees and acknowledges that

- A. He consents to and approves (i) all provisions of the Note and Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- B. Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- C. He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- D. An endorsement has been placed upon the Note secured by the Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.



BENEFICIARY

WASHINGTON MUTUAL BANK

By: B.A. Noble

Name: B. A. NOBLE

Title: MANAGER

OWNER

By: Roland J. Johnson

ROLAND J JOHNSON

By: _____

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(SUBORDINATION FORM "A")

THE STATE OF Washington

§

COUNTY OF Skagit

§

On August 22, 2003 before me, Ida Mae Ekkelkamp, notary
(Notary Name and Title)

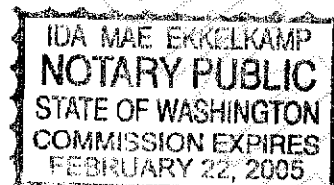
Personally appeared

Roland J. Johnson

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Ida Mae Ekkelkamp



(This area for official notarial seal)



THE STATE OF _____

§

COUNTY OF _____

§

On _____ before me, _____
(Notary Name and Title)

Personally appeared _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)



200308280211

Skagit County Auditor

8/28/2003 Page 7 of 9 3:28PM

7

THE STATE OF Washington

§

COUNTY OF Whatcom

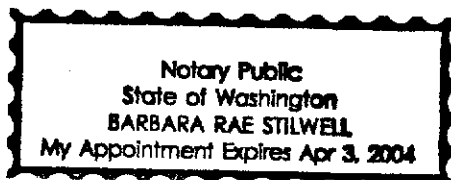
§

On 8-9-03 before me Barbara Rae Stilwell
(Notary Name and Title)

Personally appeared **B. A. NOBLE, MANAGER** personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Signature]



(This area for official notarial seal)

Schedule "A-1"

DESCRIPTION:

PARCEL "A":

Lots 5 and 6, Block 41, "PLAT OF THE TOWN OF MONTBORNE, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 80, records of Skagit County, Washington.

TOGETHER WITH that portion of vacated Lakeside Boulevard adjoining, which, upon vacation, attached to said premises by operation of law.

EXCEPT the Northeasterly 40 feet of said premises conveyed to Skagit County by deed recorded October 15, 1946, under Auditor's File No. 397033.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the 100 foot wide railroad right of way, commonly known as the Northern Pacific Railway (and originally conveyed to the Seattle Lake Shore and Eastern Railway) adjoining Block 41, "PLAT OF THE TOWN OF MONTBORNE, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 80, records of Skagit County, Washington, that lies Westerly of the centerline of said right of way and between the Northeasterly extensions of both the Northwesterly and Southeasterly extensions of both the North- westerly and Southeasterly lines of that certain tract of land conveyed to Roland J. Johnston, et ux, by Deed recorded August 21, 1984, under Auditor's File No. 8408210028.

Situate in the County of Skagit, State of Washington.



200308280211

Skagit County Auditor